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SUBJECT: CORRECTED COPY: KAZAKHSTAN: BOUCHER PRESSES  
POLITICAL REFORM WITH GOVERNMENT, OPPOSITION

REF: A. ASTANA 1357  
[1](#)B. ASTANA 1033  
[1](#)C. ASTANA 1243  
[1](#)D. ASTANA 1454  
[1](#)E. ASTANA 986  
[1](#)F. ASTANA 1110  
[1](#)G. ASTANA 1415

Classified By: DCM Kevin Milas; reasons 1.4 (b) and (d).

[1](#)1. (C) Summary: In June 5-6 meetings with Assistant Secretary Boucher, Kazakhstani government officials defended

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recent constitutional amendments as far-reaching, while acknowledging the need for further reform. Opposition leaders, by contrast, called the reform package a "step backward," arguing that even if the changes would have little immediate effect, on balance they strengthened presidential power. Both the government and opposition are anticipating that parliamentary elections will be held in the near-term, and agreed with Boucher's assessment that the quality of the elections would be a good indicator of the government's will to undertake real reform. The opposition identified the formation of representative electoral commissions as a key to assuring fair elections, and warned that the ongoing process of choosing commission members was heavily biased in favor of the ruling "Nur Otan" party.

[1](#)2. (C) Summary (continued). On the economic front, Prime Minister Masimov highlighted the "thirty corporate leaders" program as the centerpiece of the government's diversification program. Masimov indicated a desire to finalize bilateral World Trade Organization accession negotiations during his planned visit to the U.S. in September; lead negotiator Aitzhanova asked that the U.S. defer the "state trading enterprises" issue for multilateral negotiations. While Foreign Minister Tazhin reiterated that Kazakhstan's only role in the gas pipeline projects announced last month in Turkmenistan was as a "transit country," neither he nor Masimov signaled strong support for a Trans-Caspian gas pipeline; both men indicated a preference for compressed natural gas shipments across the Caspian. Government officials downplayed any disruption caused by the Rakhat Aliyev case, while casting it as an exercise in the "rule of law"; opposition and civil society leaders suggested that Aliyev's abuses had alienated important factions of Kazakhstan's economic / political elite, forcing Nazarbayev's hand. End summary.

[1](#)3. (SBU) During a June 5-6 visit to Kazakhstan, Assistant

Secretary of State for Central and South Asian Affairs

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Richard Boucher, accompanied by Senior Advisor Caitlin Hayden and Charge d'Affaires a.i., met with the following government officials: Prime Minister Karim Masimov, Foreign Minister Marat Tazhin, State Secretary Kanat Saudabayev, Presidential Administration Head Adilbek Dzhaksybekov, Senate Speaker Kasymzhomart Tokayev, and Security Council Secretary Berik Imashev. Boucher also met with opposition politicians Bulat Abilov, Tulegen Zhukeyev, Oraz Zhandosov, Galymzham Zhakiyanov, and Zharmakhan Tuyakbay; as well as representatives of U.S. businesses; editors and political scientists associated with "Mysl," a prominent political science journal; and a group of U.S. exchange program alumni. Assistant Secretary Boucher also toured the future site of the Central Asian Regional Information and Coordination Center.

Government Defends Amendments; Acknowledges Need for More Reform

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14. (C) Dzhaksybekov mounted the most vigorous defense of the constitutional reforms, describing them as far reaching. Dzhaksybekov highlighted in particular the new role of maslikhats (regional and local legislatures) to approve akims (executive branch leaders); the transfer of sanction of arrest from the procuracy to the judiciary; state financing for political parties and non-governmental organizations; and Mazhilis approval of the Prime Minister and cabinet. Kazakhstan is establishing a system of political checks and balances that maintains strong vertical controls to ensure stability, he said. While "we don't think there will be much change," Dzhaksybekov acknowledged, "we have laid the foundation for the opposition to expand in the future."

15. (C) Dzhaksybekov explained that four pieces of legislation

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must be passed immediately in order to implement constitutional changes: amendments to the laws on parliament, the government, the president, and elections. Dzhaksybekov indicated that, while a new media law was not required to implement the changes, one proposed by the Congress of Journalists was pending and would eventually be approved.

16. (C) Dzhaksybekov bridled at Boucher's observation that, in the West, the decision to lift term limits on President Nazarbayev had overshadowed the rest of the reform package in the public eye. Dzhaksybekov termed the focus on the term limits "offensive," while Tazhin pointed out that the term limit amendment represented "a legal framework, not a political decision," adding that Nazarbayev's decision whether to run again would depend both on the political situation and on Nazarbayev's health. The fundamental reason for the term limit change, Tazhin said, was to dampen political competition among aspirants to the presidency. Tazhin also spoke frankly about the origins of the amendments during a one-on-one meeting: "It was proposed in parliament," he told Boucher privately, "but we all know where it came from."

17. (C) Both Dzhaksybekov and Tazhin reiterated the government's unwavering commitment to its bid to chair the Organization for Security and Cooperation, reviewing familiar arguments for Kazakhstan's candidacy, including the importance of setting an example for others in the region. "It is our decision and we won't give up," Dzhaksybekov declared, adding that Kazakhstan would do anything the U.S. wanted on reform "as long as it does not interfere with our strategic interests." Tokayev also assured Boucher that the reform package was just the beginning: "the process will go on," he said. "The window has been opened by the amendments."

18. (C) Dzhaksybekov and Saudabayev sounded Boucher out on the idea of holding parliamentary elections in the short-term, suggesting that elections would be a logical follow-on to the reforms, while being clear that no decision had yet been taken. Dzhaksybekov indicated that the decision would depend "on the law and on the President's negotiations with the Mazhilis and the Senate," as Nazarbayev would have to dissolve the parliament for there to be elections. Over dinner, Saudabayev told Boucher that President Nazarbayev will make sure that expectations for early parliamentary elections, resulting from the constitutional reforms, will be met, and commented later that elections held before the Madrid ministerial of the Organization for Security and Cooperation in Europe would "give Kazakhstan's candidacy a boost." In reply, Boucher indicated that good elections would have a major impact on U.S. thinking; at the same time, both sides had agreed that more reform was also needed.

Opposition: Changes a "Clear Step Backward"

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19. (C) While the consensus among the assembled political scientists seemed to be that, on the whole, the reform package was a positive development, the opposition leaders told Boucher that they viewed the reform package as a "clear step backwards," and voiced disappointment in the U.S. government's public assessment of the changes. "I'm not sure how you managed to find one grain of democratic change in that huge pile of sand," Tuyakbay said. Zhandosov claimed that, of 19 changes envisioned by the reform package, 16 increased presidential authority. The changes which appeared to rankle the opposition the most were the elimination of term limits for Nazarbayev (Abilov: "Kazakhstan cannot be considered democratic with an eternal president.") and the expansion of presidential authority to dissolve the parliament. Abilov warned that an additional amendment currently before parliament would prohibit the formation of electoral blocs, such as the one which Ak Zhol and the Social Democratic Party had just announced in anticipation of elections.

110. (C) Their criticisms registered, Zhukeyev and Zhandosov then conceded that, in the near-term, the practical effect of the (negative) changes would be minimal. However, Zhukeyev said, the danger lay in the fact that the changes created a legislative framework for a future "tightening" -- one which might come, for example, on the heels of a failed bid to chair the Organization for Security and Cooperation in Europe.

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111. (C) The opposition readily agreed with Boucher's assessment that the key next step was to ensure that the coming elections would be fair. The politicians told Boucher that they were gearing up for a campaign: "everything speaks to simultaneous local and parliamentary elections," Tuyakbay said, "and local elections must be held this year." In this light, both the opposition and the political scientists identified the formation of representative electoral commissions as a key to the conduct of fair elections -- and as something that was already going wrong (Ref B). Tuyakbay explained that the composition of Kazakhstan's 10,000 electoral commissions would be determined by the end of July, and already opposition nominees were being rejected in favor of Nur Otan representatives. (Tuyakbay indicated that, of 6,000 nominees from his party, only 400 had been accepted. Abilov complained that only two Ak Zhol representatives had been accepted on to the estimated 500 electoral commissions in Almaty.) What ultimately needed to happen, Tuyakbay suggested, was to change the way the commissions were formed: currently they were elected by the Nur Otan-dominated maslikhats, but better that they be appointed by the independent Central Election Committee.

Economic Priorities: Diversification, Infrastructure, WTO

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¶12. (C) Prime Minister Masimov briefed Boucher on government efforts to attract investment into the non-extractive sectors, and thus further diversification, by means of a public/private "corporate champions" program (Ref C). The idea, Masimov explained, was to prepare the environment so that companies could compete in the export market. Toward that end, the government was planning to raise electricity tariffs and gas prices to encourage needed investment in generation capacity (Ref D), as well as encouraging investors to enter into road and railway projects. Masimov explained that he had recently agreed with the Prime Ministers of Azerbaijan and Georgia to cooperate in building a continuous railroad line (including a Caspian shipping link) which would eventually run "from Hong Kong to Hamburg" (Ref E).

¶13. (C) Masimov asked Boucher if it would be possible to target the second-half of September, when he would be in the U.S. for World Bank meetings, for finalizing U.S.- Kazakhstan bilateral World Trade Organization accession negotiations. Lead negotiator Zhanar Aitzhanova then lobbied for the U.S. to defer the issue of "state trading enterprises" to multilateral negotiations, "as you did for Russia." Boucher agreed to pass both ideas to the U.S. Trade Representative.

¶14. (C) Asked about Kazakhstan's plans for transporting gas, Masimov began by commenting that "we don't have much (gas) yet." Masimov noted that Kazakhstan was encouraging the Turkmenistan-China gas pipeline project as a way to supply gas to Southern Kazakhstan. Characterizing the Trans-Caspian gas pipeline as "something that's been talked about for a long time," Masimov told Boucher that he personally preferred the idea of shipping compressed natural gas across the Caspian, telling Boucher that it was "simpler than a pipeline." (Tazhin indicated the same preference in an earlier meeting.) Masimov informed Boucher that the deal to ship increased volumes of Karachaganak gas to the Orenburg refinery in Russia (Ref F) was "more or less finalized." The government was interested in increasing the overall volume of salable gas, Masimov said, and to that end was opening negotiations with oil producing companies to encourage them to re-inject less, and sell more, associated gas.

#### Afghanistan and Kyrgyzstan

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¶15. (C) Tazhin told Boucher that he had recommended that the government take a closer look at what it could do in Afghanistan beyond investment or humanitarian aid; to that end, he had asked for a study on a project, costing around \$50 million, to build roads connecting Afghanistan and Tajikistan. Masimov later confirmed that the government was "ready to invest" and was "very close" to a decision on road and infrastructure opportunities. Imashev indicated that the Afghanistan "economic program" would also include training for Afghan army and security forces in Kazakhstani defense institutes.

¶16. (C) Tokayev informed Boucher that Kazakhstan had agreed

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to provide \$100 million in loans to Kyrgyzstan during President Nazarbayev's recent visit there; humanitarian assistance had also been disbursed. Masimov indicated that Kazakhstan was still interested in pursuing energy projects in Kyrgyzstan but to date "we haven't been able to find anyone in Kyrgyzstan who can make deals stick." Masimov added that he would lead a delegation of investors to Kyrgyzstan during the second half of June. Imashev told Boucher that the Kyrgyz government's "weak control" was of increasing concern, as it had led to a "concentration" of Hizbut Tahrir in the country. Imashev then claimed to have "records" from criminal cases which confirmed that Hizbut Tahrir members in Kyrgyzstan had been "trained in terrorism."

¶17. (C) Boucher raised the topic of the upcoming Shanghai Cooperation Organization summit with several of his government interlocutors, telling them that the U.S. strongly preferred that the issue of the Manas airbase not be discussed officially during the meeting. Saudabayev promised to talk with Nazarbayev about the issue and try to keep it off the agenda.

#### Assessing Rakhat Aliyev's Arrest

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¶18. (C) Interpretations of the Rakhat Aliyev case (Ref G) by Boucher's interlocutors fell into two camps: government officials, when asked, tended to minimize the importance of the case, and explain it as an example of the "rule of law" which would play out in the court system. The opposition representatives and political scientists, by contrast, largely spurned the "rule of law" argument in favor of the view that Nazarbayev's hand had been forced by Aliyev's abuses and a resulting groundswell of complaint by important elements of Kazakhstan's business / political elite, many of whom were familiar with Aliyev's "predatory" seizure of business interests, and were keen to eliminate any possibility of Aliyev succeeding Nazarbayev.

¶19. (U) Assistant Secretary Boucher has cleared this cable.  
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